

STATE BOARD TO REVIEW CLAIMS{PRIVATE }

RESOLUTION NO. 2004-06

Resolution to Designate Rich's Unocal, 810 Cornell Ave., Lovelock, as a Small Business.
Case ID No. 1999000061

Whereas, the State Board to Review Claims Finds:

1. NAC 590.710 (1)(e) states "'Small business' to mean a business which receives less than \$500,000 in gross annual receipts from the site where the tank is located, based upon the average annual gross receipts for the following period:
(1) If the business has been in operation for 5 or more fiscal years on the date on which the discharge is discovered, the 5 fiscal years immediately preceding the date on which the discharge was discovered; or,
(2) If the business has been in operation for less than 5 fiscal years on the date the discharge is discovered, the total number of years the business has been in operation."
2. NAC 590.714 states, "To be designated as a small business as described in paragraph (e) of subsection 1 of NAC 590.710, an operator must submit the following to the division:
1. Copies of forms reporting federal income tax, which show the operator's gross annual receipts for the following period:
(a) If the business has been in operation for 5 or more fiscal years on the date on which the discharge is discovered, the 5 fiscal years immediately preceding the date on which the discharge was discovered; or,
(b) If the business has been in operation for less than 5 fiscal years on the date the discharge is discovered, the total number of years the business has been in operation.
2. Any other information requested by the division which is necessary to determine whether the operator is a small business."
3. On December 3, 1999, coverage was granted to Rich's Unocal for a release that occurred on December 21, 1998.
4. In July 2004 Mr. Rich Sorani, the owner of Rich's Unocal, submitted copies (Attachment "A") of Schedule C, Profit or Loss from Business for Rich's Unocal for the years 1994 thru 1998 and requested to be classified as a Small Business pursuant to NAC 590.710.
5. According to the records submitted, Rich's Unocal was a business that received less than \$500,000 in gross annual receipts during any of the 5 preceding years. The gross annual receipts for the five years immediately preceding the leak discovery date averaged \$333,394.

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THEREFORE BE IT RESOLVED:

That the State Board to Review Claims designates Rich's Unocal, Petroleum Fund Case ID #1999000061, as a Small Business.

I, John Haycock, Chairman, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the Nevada State Board to Review Claims on September 9, 2004.

John Haycock, Chairman
State Board to Review Claims

STATE BOARD TO REVIEW CLAIMS

MEETING OF September 9, 2004
Videoconference - Carson City and Las Vegas, Nevada

- ITEM: IV.D.
- SUBJECT: Resolution to Designate Rich's Unocal, Case #1999000061, Located at 810 Cornell Ave., Lovelock as a Small Business.
- DISCUSSION: A small business is defined in NAC 790.710 as "...a business which receives less than \$500,000 in gross annual receipts from the site where the tank is located, based upon the average annual gross receipts for the following period:
- (1) If the business has been in operation for 5 or more fiscal years on the date on which the discharge is discovered, the 5 fiscal years immediately preceding the date on which the discharge was discovered; or,
 - (2) If the business has been in operation for less than 5 fiscal years on the date the discharge is discovered, the total number of years the business has been in operation."
- In order to be classified as a small business, NAC 590.714 states that "... an operator must submit the following to the division:
1. Copies of forms reporting federal income tax, which show the operator's gross annual receipts for the following period:
 - (a) If the business has been in operation for 5 or more fiscal years on the date on which the discharge is discovered, the 5 fiscal years immediately preceding the date on which the discharge was discovered; or,
 - (b) If the business has been in operation for less than 5 fiscal years on the date the discharge is discovered, the total number of years the business has been in operation.
 2. Any other information requested by the division which is necessary to determine whether the operator is a small business."
- Mr. Rich Sorani, the owner of Rich's Unocal, has requested that Rich's Unocal be classified as a small business. Classifying Rich's Unocal as a small business will establish the deductible amount at 10% of the approved reimbursable claims, capped at \$50,000.
- Mr. Sorani has submitted the required Federal tax records required by NAC 590.714 and substantiated that the gross annual receipts for the five years preceding leak discovery average \$333,394 and thus satisfies the criteria for a Small Business classification pursuant to NAC 590.710.

RECOMMENDATION: Adoption of Resolution No. 2004-06 as Proposed.